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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/604,696	06/26/2000	Philip Carragher	Carr-P1-00	4961
28710	7590	12/19/2005	EXAMINER KARMIS, STEFANOS	
PETER K. TRZYNA, ESQ. P O BOX 7131 CHICAGO, IL 60680			ART UNIT 3624	PAPER NUMBER

DATE MAILED: 12/19/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b> 09/604,696	<b>Applicant(s)</b> CARRAGHER ET AL.	
	<b>Examiner</b> Stefano Karmis	<b>Art Unit</b> 3624	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 30 September 2005.
- 2a) ☐ This action is FINAL.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-31 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-31 is/are rejected.
- 7) ☒ Claim(s) 29 is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
     Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
     Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

### **DETAILED ACTION**

1. The following communication is in response to Applicant's amendment filed 30 September 2005.

#### ***Status of Claims***

2. Claims 1-31 are pending in this office action.

#### ***Response to Arguments***

3. Applicant's arguments, filed 10 November 2004, with respect to the rejection(s) of claim(s) 1-31 under U.S. Patent 6,631,358 have been fully considered and are persuasive. Therefore, the rejection has been withdrawn. However, upon further consideration, a new ground(s) of rejection is established as set forth below. Therefore claims 1-31 are rejected and Applicant's request for allowance is respectfully declined.

#### ***Claim Objections***

4. Claim 29 is objected to because of the following informalities: Claim 29 is listed as being dependent from claim 26, however it is supposed to be dependent off claim 28. Appropriate correction is required.

*Claim Rejections - 35 USC § 102*

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

6. Claims 1, 2, 4, 5, 9, 10, 12, 13, 17, 19, 24, 28 and 29 are rejected under 35 U.S.C. 102(e) as being anticipated by Hillman et al. (hereinafter Hillman) U.S. Publication 2003/0093342.

Regarding independent claims 1 and 28, Hillman discloses a method for card activity-based mortgage crediting, the method including the steps of: associating card activity with a mortgage of a cardholder (page 3, paragraph 0019 and page 2, paragraph 0014); crediting an amount to the mortgage responsive to the card activity (page 3, paragraph 0019, page 2, paragraph 0015, Table 1 and Figure 2); and generating output including the charge card activity-based mortgage crediting (page 2, paragraph 0014); wherein at least some of the steps are carried out by a digital electronic computer (page 2, paragraph 0014 and page 2, paragraph 0015).

Claim 2, further including the step of communicating a funds transfer to the cardholder (page 2, paragraph 0014).

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Claim 4, communicating a funds transfer to a mortgage servicer (page 3, paragraph 0019 and page 2, paragraph 0015).

Claim 5, communicating includes an electronic funds transfer (page 2, paragraph 0015).

Claim 9 and 10, changing an allocation of the credit activity with the mortgage in response to an instruction from the cardholder. These include mortgage and home equity loans (page 4, paragraph 0028).

Claims 12 and 13, changing an allocation of the credit activity with the mortgage in response to an instruction from the mortgage holder (page 2, paragraph 0014).

Claim 17, computing an annual statement of said crediting, and communicating the statement to the cardholder (page 2, paragraph 0014 and page 3, paragraph 0022).

Claim 19, associating a monthly payment with the mortgage and communicating a funds transfer including the payment to a mortgage servicer (column 3, paragraph 0022 and page 2, paragraph 0015).

Claim 24, using a second computer to compute a valuation of a mortgage backed security in response to indicia of said crediting (Table 1).

Claim 29, programming a digital electronic computer to trigger an electronic funds transfer to another digital electronic computer (page 2, paragraph 0015).

***Claim Rejections - 35 USC § 103***

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

9. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

10. Claims 3, 6, 25-27 and 30 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hillman et al. (hereinafter Hillman) U.S. Publication 2003/0093342 in view of Pettit U.S. Patent 4,722,554.

Regarding claims 3, 6, 25-27 and 30, 3, 6, 25-27 and 30, Hillman discloses a method for card activity-based mortgage crediting, the method including the steps of: associating card activity with a mortgage of a cardholder (page 3, paragraph 0019 and page 2, paragraph 0014); crediting an amount to the mortgage responsive to the card activity (page 3, paragraph 0019, page 2, paragraph 0015, Table 1 and Figure 2); and generating output including the charge card activity-based mortgage crediting (page 2, paragraph 0014); wherein at least some of the steps are carried out by a digital electronic computer (page 2, paragraph 0014 and page 2, paragraph 0015). Hillman fails to teach printing a check for the amount; printing a coupon with the amount for carrying out the payment of the mortgage with the check; and combining the check and the coupon with a statement of the card activity in an envelope so as to address the envelope to the cardholder. Pettit teaches an alternative value paper refund form in which a negotiable instrument, nominally a check, and one or more coupons. The form is typically used for a rebate or refund (column 3, lines 30-47 and column 9, lines 3-25). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Hillman and include payment through postage because it is an efficient manner to transmit payment information stemming from a rebate or refund and is extremely well known in the financial and billing arts.

11. Claims 7 and 8 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hillman et al. (hereinafter Hillman) U.S. Publication 2003/0093342 in view of Atkins U.S. Patent 5,644,727.

Claims 7 and 8, Hillman teaches a method for card activity-based mortgage crediting, the method including the steps of: associating card activity with a mortgage of a cardholder (page 3, paragraph 0019 and page 2, paragraph 0014); crediting an amount to the mortgage responsive to the card activity (page 3, paragraph 0019, page 2, paragraph 0015, Table 1 and Figure 2); and generating output including the charge card activity-based mortgage crediting (page 2, paragraph 0014); wherein at least some of the steps are carried out by a digital electronic computer (page 2, paragraph 0014 and page 2, paragraph 0015). Hillman fails to teach forecasting repayment of the mortgage. Atkins teaches the management of accounts that includes the forecasting of mortgage payments (column 43, lines 47-61 and Table 16). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Hillman and include forecasting the mortgage payment as taught by Atkins because it elaborates on the statement taught by Hillman to include specific information regarding the account, that an account holder would deem pertinent.

12. Claims 7 and 8 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hillman et al. (hereinafter Hillman) U.S. Publication 2003/0093342 in view of Atkins U.S. Patent 4,953,085.

Claims 11, 14, 15 and 18, Hillman teaches a method for card activity-based mortgage crediting, the method including the steps of: associating card activity with a mortgage of a cardholder (page 3, paragraph 0019 and page 2, paragraph 0014); crediting an amount to the



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mortgage responsive to the card activity (page 3, paragraph 0019, page 2, paragraph 0015, Table 1 and Figure 2); and generating output including the charge card activity-based mortgage crediting (page 2, paragraph 0014); wherein at least some of the steps are carried out by a digital electronic computer (page 2, paragraph 0014 and page 2, paragraph 0015). Hillman further teaches payment according to principle (Table 1). Hillman fails to teach allocating payment between the interest and principle. Atkins teaches account operation that schedules mortgage payments between the interest and principle (column 12, lines 10-39). Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Atkins and include payment to either principle or interest because they both require payments that the customer is interested in allocating the credit.

13. Claims 16 and 23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hillman et al. (hereinafter Hillman) U.S. Publication 2003/0093342 in view of Ogilvie U.S. Patent 6,631,358.

14. Claims 16 and 23, Hillman teaches a method for card activity-based mortgage crediting, the method including the steps of: associating card activity with a mortgage of a cardholder (page 3, paragraph 0019 and page 2, paragraph 0014); crediting an amount to the mortgage responsive to the card activity (page 3, paragraph 0019, page 2, paragraph 0015, Table 1 and Figure 2); and generating output including the charge card activity-based mortgage crediting (page 2, paragraph 0014); wherein at least some of the steps are carried out by a digital electronic computer (page 2, paragraph 0014 and page 2, paragraph 0015). Hillman fails to teach allocating

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a portion to charity. Ogilvie teaches directing funds on behalf of a consumer including towards a charity (column 4, lines 11-19). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Hillman and include the charity teachings of Ogilvie because Hillman teaches that the payment can be allocated between numerous accounts including outside accounts. The charity is merely an outside account.

15. Claims 20-22 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hillman et al. (hereinafter Hillman) U.S. Publication 2003/0093342.

Claims 20 and 21, Hillman teaches a method for card activity-based mortgage crediting, the method including the steps of: associating card activity with a mortgage of a cardholder (page 3, paragraph 0019 and page 2, paragraph 0014); crediting an amount to the mortgage responsive to the card activity (page 3, paragraph 0019, page 2, paragraph 0015, Table 1 and Figure 2); and generating output including the charge card activity-based mortgage crediting (page 2, paragraph 0014); wherein at least some of the steps are carried out by a digital electronic computer (page 2, paragraph 0014 and page 2, paragraph 0015). Hillman fails to teach the ability to allocate credit activity from a second cardholder. Official Notice is taken that funding from a second cardholder is old and well known in the financial arts. Therefore it would have been obvious to one of ordinary skill in the art to include allocating credit activity from a second cardholder because any number of cards could be added to associate card activity with the mortgage since they all perform in the same manner as the original card used to fund the mortgage.

Claim 22, Hillman teaches a method for card activity-based mortgage crediting, the method including the steps of: associating card activity with a mortgage of a cardholder (page 3, paragraph 0019 and page 2, paragraph 0014); crediting an amount to the mortgage responsive to the card activity (page 3, paragraph 0019, page 2, paragraph 0015, Table 1 and Figure 2); and generating output including the charge card activity-based mortgage crediting (page 2, paragraph 0014); wherein at least some of the steps are carried out by a digital electronic computer (page 2, paragraph 0014 and page 2, paragraph 0015). Official Notice is taken that funding from a second cardholder is old and well known in the financial arts. Therefore it would have been obvious to one of ordinary skill in the art to include allocating credit activity from a second cardholder because any number of cards could be added to associate card activity with the mortgage since they all perform in the same manner as the original card used to fund the mortgage.

16. Claim 31 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hillman et al. (hereinafter Hillman) U.S. Publication 2003/0093342 in view of Sullivan U.S. Patent 6,941,279.

Hillman teaches a method for card activity-based mortgage crediting, the method including the steps of: associating card activity with a mortgage of a cardholder (page 3, paragraph 0019 and page 2, paragraph 0014); crediting an amount to the mortgage responsive to the card activity (page 3, paragraph 0019, page 2, paragraph 0015, Table 1 and Figure 2); and generating output including the charge card activity-based mortgage crediting (page 2, paragraph

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0014); wherein at least some of the steps are carried out by a digital electronic computer (page 2, paragraph 0014 and page 2, paragraph 0015). Hillman fails to specify that these steps are performed over the internet. Sullivan teaches a mutual fund card method and system that associated card activity with a mutual fund wherein payment and receipt are performed over the internet (column 6, lines 50-60). Therefore it would have obvious to one of ordinary skill in the art to modify the teachings of Hillman and include the teachings of Sullivan because it provides an efficient communication means to allocate payments while associated card contribution to an account of a customer.

### *Conclusion*

17. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Stefano Karmis whose telephone number is (571) 272-6744. The examiner can normally be reached on M-F: 8-5.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (571) 272-6747. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Respectfully Submitted  
Stefano Karmis  
08 December 2005



HANI M. KAZIMI  
PRIMARY EXAMINER